

**Document A**  
**Gulf of Alaska Rationalization**  
**Alternative Descriptions**

This paper describes several alternatives (or types of programs) that could be formulated from the elements and options in the April 2003 motion. For each alternative, a brief description of the alternative is provided, followed by a list of the elements and options from the proposed revision to the motion that could be retained in the motion to define the alternative for analysis. The listing of elements and options is not an attempt to narrow the options, but identifies elements and options that could be retained to identify the alternative for further analysis. The April 2003 motion contains at least 12 primary alternatives, each with several permutations. Most of the alternatives are cooperative alternatives, which arise from selecting various combinations of the cooperative elements and options. Several alternatives are very similar to one another, providing little analytical contrast.

Staff is hopeful that the Council will use this meeting to narrow the number of alternatives substantially. A reasonable range of contrasting alternatives for analysis could be four or five selected from the April 2003 motion. Within those alternatives, options may be retained for some aspects, but those options should not pertain to the general structure of the program.<sup>1</sup> If the Council chooses to delay narrowing the selection of alternatives for analysis, the completion of the analysis will be delayed. Staff can work on several different aspects of the analysis, but the comparison of alternatives will be extended several months.

**1. Harvester Only IFQ**

Harvest shares would be allocated to harvesters. The processing sector would not be subject to any limits on entry or participation (i.e., no direct processor protection, such as a closed class of processors).

Provisions that could be used to establish this alternative:

Section 2 only for harvest provisions

**2. Harvester IFQ with a Closed Class of Processors**

Harvest shares would be allocated to harvesters. A specific percentage of each harvester's allocation would be required to be delivered to qualified processors. Processor qualification would be based on historic processing activity.

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions  
Section 3.1 for processing provisions

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<sup>1</sup> For example, a few options can remain for choosing different eligibility requirements for purchasing harvest shares or histories.

**Note:** The analysis of company based licenses differs substantially from the analysis of facility based licenses. Qualification and regionalization issues will need to be addressed.

### **3. Two-Pie IFQ (Harvest Shares and Processing Shares)**

Harvest shares would be allocated to harvesters for the entire TAC. Processing shares would be allocated to processors for a specified portion of the TAC. Harvest shares would be issued in two classes. Class A shares would require delivery to a processor holding processing shares. Class B shares could be delivered to any processor. Class A shares would be issued for the same portion of the TAC as processor shares to establish a one-to-one correspondence between Class A shares and processing shares.

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions

Section 3.2 for processing provisions

Section 3.2.1 - binding arbitration provision is very incomplete

### **4. Harvester-Only IFQ with Voluntary Cooperatives - No Direct Processor Protection**

Harvest shares would be allocated to harvesters for the entire TAC. Harvesters would be permitted to form cooperatives, but would not be required to form cooperatives to receive a share allocation. Any limitation on the ability of harvesters to co-op with different gear groups or vessel types and sizes could be adopted (from 4.2.1). No delivery requirement or direct processor protection would be provided.

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions

Section 4.1, Option 1

Section 4.2.1, 4.2.1.1, 4.2.1.2, 4.2.1.3

Section 4.2.2 i

Section 4.2.3

Section 4.3.1, Option 1

Sections 4.3.2.1 to 4.3.2.4, 4.4.3

Section 4.5.1

### **5. Harvester Shares with Mandatory Cooperatives - No Direct Processor Protection - No Open Access Fishery**

Harvest shares would be allocated to cooperatives for the entire TAC. Harvesters would be required to join cooperatives to receive a share allocation (which would be made to the cooperative). Any limitation on the ability of harvesters to co-op with different gear groups or vessel types and sizes could be adopted (from 4.2.1). No delivery requirement or direct processor protection would be provided. No open access fishery would be provided for harvesters that choose not to join a cooperative.

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions

Section 4.1, Option 2

Sections 4.2.1, 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3  
Section 4.3.1, Option 1  
Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4, 4.4  
Section 4.6, Option 2

## **6. Harvester Shares with Mandatory Cooperatives - No Direct Processor Protection - Open Access Fishery for Non-Members of Cooperatives**

Harvest shares would be allocated to cooperatives for the entire TAC. Harvesters would be required to join cooperatives to receive a share allocation (which would be made to the cooperative). No delivery requirement or direct processor protection would be provided. An open access fishery would be provided for harvesters that choose not to join a cooperative. Any limitation on the ability of harvesters to co-op with different gear groups or vessel types and sizes could be adopted (from 4.2.1). Those limitations can be used to defined the different open access fisheries (in 4.6, Option 1).

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions  
Section 4.1, Option 2  
Section 4.1, Option 2  
Sections 4.2.1, 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3  
Section 4.3.1, Option 1  
Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4, 4.4  
Section 4.6, Option 1

## **7. Harvester Shares with Mandatory Cooperatives - Processor Protections**

Harvest shares would be allocated to cooperatives for the entire TAC. Harvesters would be required to join cooperatives to receive a share allocation (which would be made to the cooperative). Processor protection would be provided by requiring harvesters to enter price agreements with a processor prior to receiving an allocation.<sup>2</sup> Any limitation on the ability of harvesters to co-op with different gear groups or vessel types and sizes could be adopted (from 4.2.1). This option could provide for an open access fishery, if desired (see 4.6).

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions  
Section 4.1, Option 2  
Sections 4.2.1, 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3  
Section 4.2.4  
Section 4.3.1, Option 1  
Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4, 4.4  
Section 4.6, Option 1 or 2

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<sup>2</sup> Staff is concerned that as written the current provision could not be meaningfully analyzed. Additional comments are provided in the discussion of options.

## **8. True Sector Cooperatives**

Under this alternative, allocations will be made to sectors, which could be defined by gear, vessel type (CV or C/P), vessel length, and/or area. If the holders of a minimum percentage of the qualified history of the sector enters a cooperative, the allocation would be made to the cooperative. Non-members receive no allocation and are not permitted to fish in an open access fisheries. Processor associations and delivery requirements could be imposed on CV cooperatives.

Provisions that could be used to establish this alternative:

Section 2 (including 2.3.1, Option 1)

Section 4.2, Option 2

Section 4.2.1 - define sectors

Section 4.2.1.1, 4.2.1.2, 4.2.1.3

Section 4.2.2 ii (define portion of sector need to form cooperative)

Section 4.2.3

Section 4.3.1, Option 2

Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4

Section 4.6.1, Option 2

## **9. Sector Allocations with Cooperatives**

Under this alternative, all fisheries would be divided into sectors, which could be defined by gear, vessel type (CV or C/P), vessel length, and/or area. Harvest share holders would be permitted to form cooperatives subject to minimum membership requirements (i.e., minimum number of shareholders or percent of total shares held by members). Cooperatives are mandatory (i.e., harvesters that are not in cooperatives will not receive share allocations). Allocations would be made to cooperatives based on members' histories. Any non-members could fish in an open access fishery, which is comprised of all history of sector members that chose not to join cooperatives. Processor associations and delivery requirements could be imposed on CV cooperatives.

Provisions that could be used to establish this alternative:

Section 2

Section 4.1, Option 2

Section 4.2.1 (defines sector)

Sections 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3

Section 4.2.4

Section 4.3.1, Option 1

Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4, 4.4, 4.5.1, 4.5.2

Section 4.6, Option 1 (would create open access fishery)

## **10. Harvester Shares with a Closed Class of Processors (Cooperatives are Mandatory)**

Harvest shares would be allocated to cooperatives based on members' histories. A specific percentage of each harvester's allocation would be required to be delivered to a qualified processor associated with the cooperative. Processor qualification would be based on historic processing activity. Harvesters may suffer a one-year share reduction for moving between cooperatives.

Provisions that could be used to establish this alternative:

Section 2 for harvester provisions  
Section 3.1 for processing provisions  
Section 4.1, Option 2  
Section 4.2.1 (defines sector)  
Sections 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3  
Section 4.2.4  
Section 4.3.1, Option 1  
Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4  
Section 4.3.2.6  
Section 4.4  
Section 4.5.1, 4.5.2, 4.5.3

**Note:** a) The options do not include a one-year open access requirement for movement between cooperatives.  
b) The analysis of company-based licenses differs substantially from the analysis of facility-based licenses. Qualification and regionalization issues will need to be addressed.

**11. Two-Pie IFQ with Voluntary Cooperatives**

Harvest shares would be allocated to harvesters for the entire TAC. Processing shares would be allocated to processors for a specified portion of the CV TAC. CV harvest shares would be issued in two classes. Class A shares would require delivery to a processor holding processing shares. Class B shares could be delivered to any processor. Class A shares would be issued for the same portion of the TAC as processor shares to establish a one-to-one correspondence between Class A shares and processing shares.

Cooperatives could be formed among harvesters. Processor association could be required of CV cooperatives. Delivery requirements for the cooperative should not be applied because of the need for CV harvest share holders to deliver to processing share holders (further processor protection should not be necessary). Cooperatives would be voluntary. An open access fishery would disrupt the one-to-one relationship between harvest shares and processing shares.

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions  
Section 3.2 for processing provisions  
Section 4.1, Option 1  
Sections 4.2.1, 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3  
Section 4.3.1, Option 1  
Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4, 4.4  
Section 4.2.4

**12. Two-Pie Share Program with Mandatory Cooperatives and Open Access Fishery**

Harvest shares would be allocated to cooperatives based on members' histories. Processing shares would be allocated to processors for a specified portion of the CV TAC. CV harvest shares would be issued in

two classes. Class A shares would require delivery to a processor holding processing shares. Class B shares could be delivered to any processor. Each cooperative's allocation would be comprised of a percentage of Class A shares equal to the percentage of the TAC for which processor shares are issued.

Processor association could be required of CV cooperatives. Delivery requirements for the cooperative should not be applied because of the need for CV harvest share holders to deliver to processing share holders (further processor protection should not be necessary).

Harvesters that do not join cooperatives could participate in an open access fishery, which would be comprised of the history of harvesters that chose not to join cooperatives. An open access fishery would disrupt the one-to-one relationship between CV harvest shares and processing shares.

Provisions that could be used to establish this alternative:

Section 2 for harvest provisions

Section 3.2 for processing provisions

Section 4.1, Option 2

Sections 4.2.1, 4.2.1.1, 4.2.1.2, 4.2.1.3, 4.2.2 i or ii, 4.2.3

Section 4.3.1, Option 1

Sections 4.3.2.1, 4.3.2.2, 4.3.2.3, 4.3.2.4, 4.4

Section 4.2.4

Section 4.6, Option 1